
Introduced by Senator MurrayFebruary 20, 2004

An act to amend Section 1685 of the Vehicle Code, relating to the Department of Motor Vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 1799, as introduced, Murray. Department of Motor Vehicles: report.

Existing law requires the Department of Motor Vehicles to submit a report to the Legislature annually by January 10, consisting of specified information gathered in the immediately preceding calendar year, regarding qualified private industry partners. Existing law requires the report to include a detailed listing of funds expended from the Special Deposit Fund. Existing law no longer requires specified fees collected by the department from private industry partners to be deposited in the Special Deposit Fund.

This bill would repeal the requirement that the report include a detailed listing of funds expended from the Special Deposit Fund. The bill would require the report to be submitted to the Legislature annually by October 1, rather than January 10, and to include specified information gathered during the immediately preceding fiscal, rather than calendar, year.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1685 of the Vehicle Code is amended to
2 read:



1 1685. (a) In order to continue improving the quality of
2 products and services it provides to its customers, the department,
3 in conformance with Article 4 (commencing with Section 19130)
4 of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government
5 Code, may establish contracts for electronic programs that allow
6 qualified private industry partners to join the department in
7 providing services that include processing and payment programs
8 for vehicle registration and titling transactions.

9 (b) (1) The department may enter into contractual agreements
10 with qualified private industry partners. There are the following
11 three types of private industry partnerships authorized under this
12 section:

13 (A) First-line business partner is an industry partner that
14 receives data directly from the department and uses it to complete
15 registration and titling activities for that partner's own business
16 purposes.

17 (B) First-line service provider is an industry partner that
18 receives information from the department and then transmits it to
19 another authorized industry partner.

20 (C) Second-line business partner is a partner that receives
21 information from a first-line service provider.

22 (2) The private industry partner contractual agreements shall
23 include the following minimum requirements:

24 (A) Filing of an application and payment of an application fee,
25 as established by the department.

26 (B) Submission of information, including, but not limited to,
27 fingerprints and personal history statements, focusing on and
28 concerning the applicant's character, honesty, integrity, and
29 reputation as the department may consider necessary.

30 (C) Posting a bond in an amount consistent with Section 1815.

31 (3) The department shall, through regulations, establish any
32 additional requirements for the purpose of safeguarding privacy
33 and protecting the information authorized for release under this
34 section.

35 (c) The director may establish, through the adoption of
36 regulations, the maximum amount that a qualified private industry
37 partner may charge its customers in providing the services
38 authorized under subdivision (a).

39 (d) The department shall charge a three-dollar (\$3) transaction
40 fee for the information and services provided under subdivision

1 (a). The private industry partner may pass the transaction fee to the
2 customer, but the total charge to a customer may not exceed the
3 amount established by the director under subdivision (c).

4 (e) All fees collected by the department pursuant to subdivision
5 (d) shall be deposited in the Motor Vehicle Account. On January
6 1 of each year, the department shall adjust the fee in accordance
7 with the California Consumer Price Index. The amount of the fee
8 shall be rounded to the nearest whole dollar, with amounts equal
9 to, or greater than, fifty cents (\$0.50) rounded to the next highest
10 whole dollar.

11 (f) The department shall adopt regulations and procedures that
12 ensure adequate oversight and monitoring of qualified private
13 industry partners to protect vehicle owners from the improper use
14 of vehicle records. These regulations and procedures shall include
15 provisions for qualified private industry partners to periodically
16 submit records to the department, and the department shall review
17 those records as necessary. The regulations shall also include
18 provisions for the dedication of department resources to program
19 monitoring and oversight; the protection of confidential records in
20 the department's files and databases; and the duration and nature
21 of the contracts with qualified private industry partners.

22 (g) The department shall, annually, by ~~January 10~~ *October 1*,
23 provide a report to the Legislature that shall include all of the
24 following information gathered during the ~~calendar~~ *fiscal* year
25 immediately preceding the report date:

26 (1) Listing of all qualified private industry partners, including
27 names and business addresses.

28 (2) Volume of transactions, by type, completed by business
29 partners.

30 (3) Total amount of funds, by transaction type, collected by
31 business partners.

32 (4) Total amount of funds received by the department.

33 ~~(5) Detailed listing of funds expended from the Special Deposit~~
34 ~~Fund.~~

35 ~~(6) Description of any fraudulent activities identified by the~~
36 ~~department.~~

37 ~~(7) —~~

38 (6) Evaluation of the benefits of the program.

39 ~~(8) —~~

- 1 (7) Recommendations for any administrative or statutory
- 2 changes that may be needed to improve the program.
- 3 (h) Nothing in this section impairs or limits the authority
- 4 provided in Section 4610 or *in Section 12155* of the Insurance
- 5 Code.

